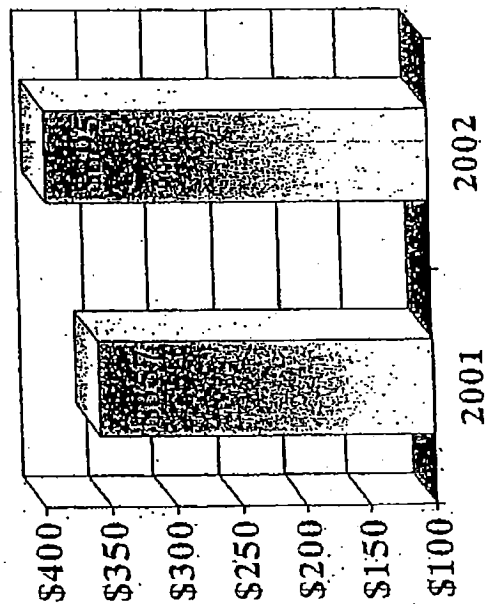


# Revenue Growth

(in millions)

Eleven Months Ended Nov 30

- Up 10.7% from the same period a year ago
- "We're getting it right"



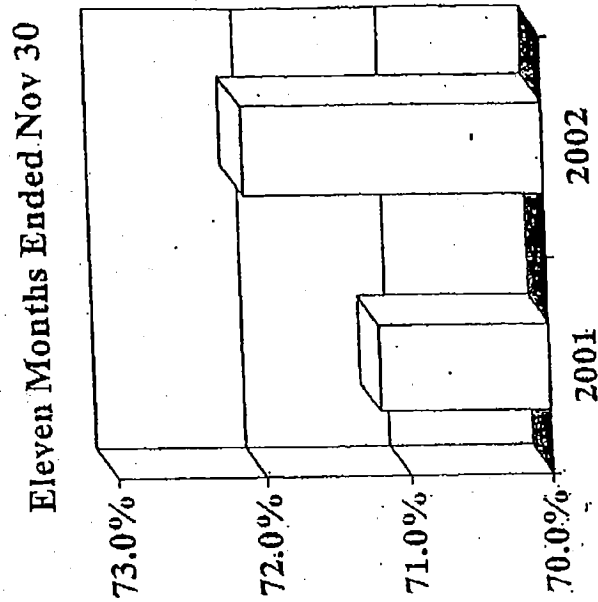
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Next EPS c. before 4Q-02-03

## Core Revenue Percentage

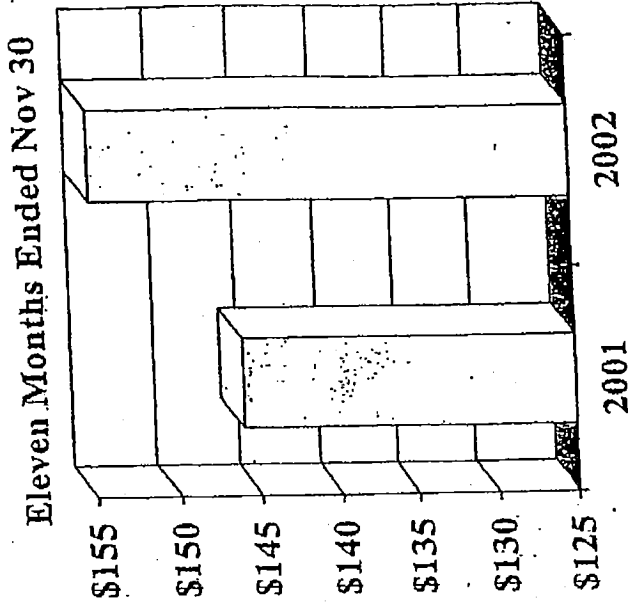
- Core therapies continued to grow, accounting for 72% of consolidated revenues in the latest period, vs. 71% for the same period a year ago



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# Revenue Per Patient Per Day



- Average daily revenues per core patient grew 6% to \$155 from the same period a year ago
  - Emphasis on chronic TPN and Hemophilia and IVIG patients.

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## Revenue Diversification

- Coram's focus on *chronic* TPN, IVIG and hemophilia patients *increases* revenue per patient and reduces risk by enhancing the diversity and stability of revenues
- Strategy: continue to build on these therapies while supported by a large, stable anti-infectives business base

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## Blood Products Initiatives

- Hemophilia
  - Added "Product Champion"
  - Added specialty sales force and patient advocates
  - Created central distribution center
  - Supplier alliance (FFF) improved product availability and reduced costs

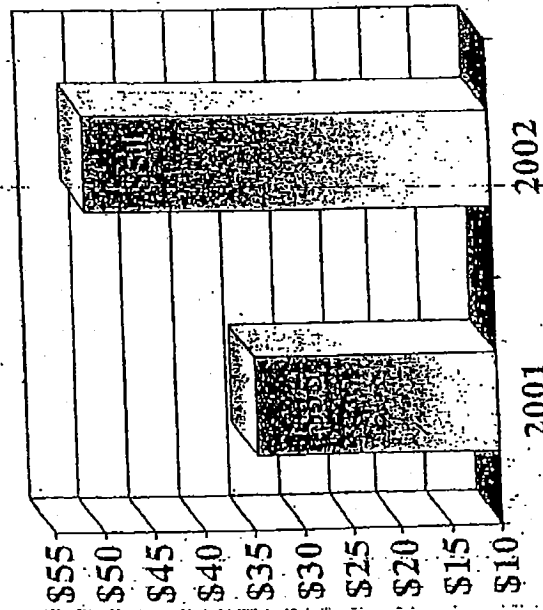
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# Hemophilia Revenue Results

(in millions)

Eleven Months Ended Nov 30



- Strategy to change mix to more profitable chronic care patients
- Hemophilia grew \$16 million or 47% year over year, contributing to Coram's overall EBITDA improvement.

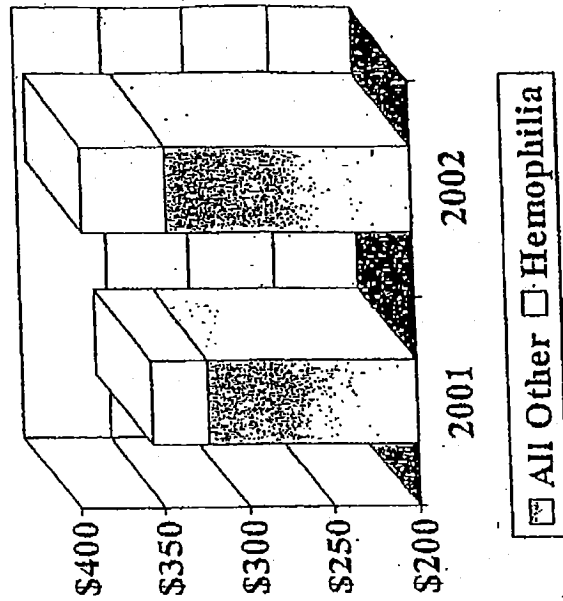
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# Hemophilia Revenue Growth

(in millions)

Eleven Months Ended Nov 30



- Hemophilia grew to 13% of total revenues from 10%
- Has higher drug cost (factor), but has lower overall Clinical and G&A, resulting in higher contribution to margin and EBITDA

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## Blood Products Initiatives

- IVIG

- Created viable product by reducing costs
- Improved sales incentives
- Refined sales to target neurology referrals for more persistent, *chronic* patients
  - Realizing greater yield per patient

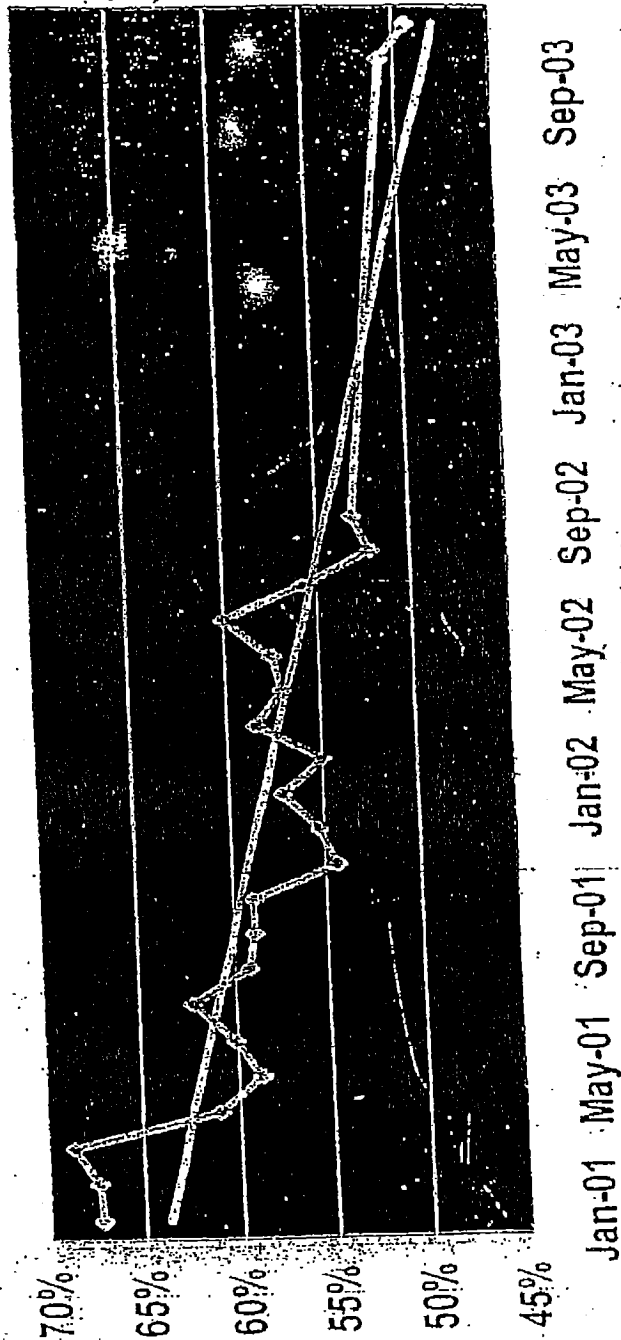
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# IVIG Product Cost Trend

Cost of Goods Sold (COGS) Percentage



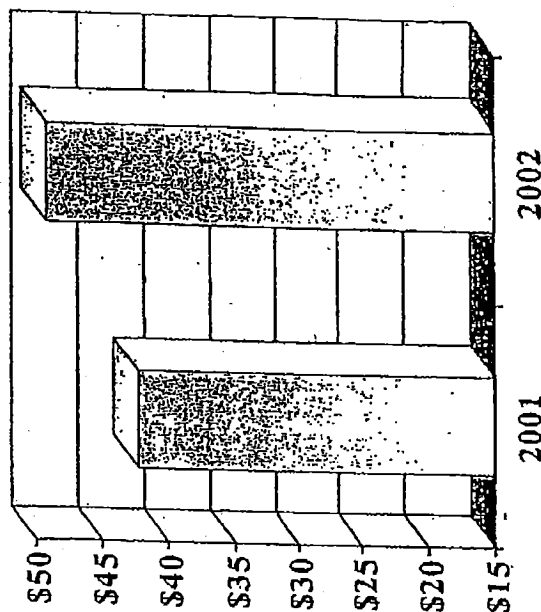
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# IVIG Revenue Increase (in millions)

- After reduced costs made it profitable, revenues increased 16.5% due to SBU focus targeting neurology referrals and enhanced sales incentives.

Eleven Months Ended Nov 2002



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## Nutrition Initiatives

- Added SBU "Product Champion"
- Targeted marketing initiatives for patients, payers, referral sources and hospitals
- Sales focused on *chronic* patients
- Reduced costs allows sales of enteral, which captures patients who use both enteral and

TPN

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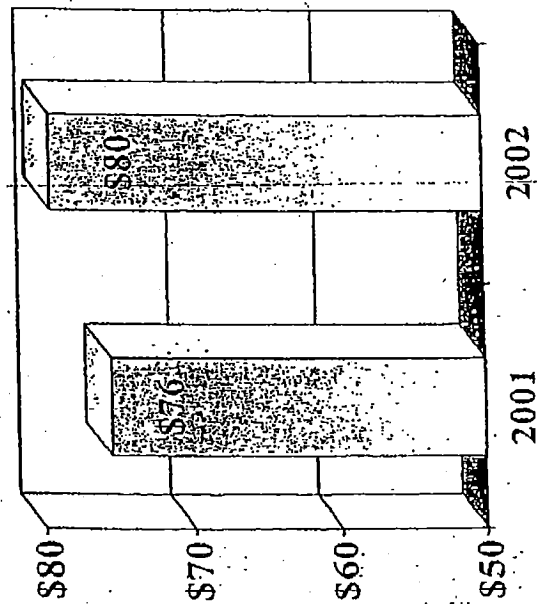
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# Nutrition Initiative Results

(in millions)

- TPN up 5.2% due to increased focus on getting and retaining chronic customers, improved sales incentives

Eleven Months Ended Nov 30



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## Recent Revenue Initiatives

- Hospital Rx outsourcing
  - Established SoluNet subsidiary to market TPN and other specialty Rx services to hospitals
  - Brings additional revenue to branches, increases leverage with vendors, connects us to patients before they leave the hospital
  - Currently have contracts with Desert Samaritan Medical Center, New England Medical Center, Mt. Auburn Hospital and Carney Hospital.

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## Recent Revenue Initiatives

- Retained a Product Champion to develop and expand respiratory therapy capabilities
  - A higher margin segment of the business that Coram has not served
  - Has potential to be synergistic and add volume to our branches

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## Reasons for Accelerated Growth

- Product Champion focus is working
- New leadership in sales taking effect
  - Greater focus and discipline
  - More straight-forward sales incentives
- Actively recruiting *chronic* core patients no longer wanted by Accredo after it bought and then shut down the Gentiva infusion business

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## Reasons for Accelerated Growth

- Cost cutting has worked so we can push products we couldn't offer profitably before
  - Reintroduction of IVIG and Enteral Nutrition
- Improved contracting and vendor relations
- Actively recruiting patients of numerous local and regional infusion providers that failed or suffered setbacks due to the difficult operating environment
- Continued reputation for quality and service
- Strong leadership from a stable, motivated management team

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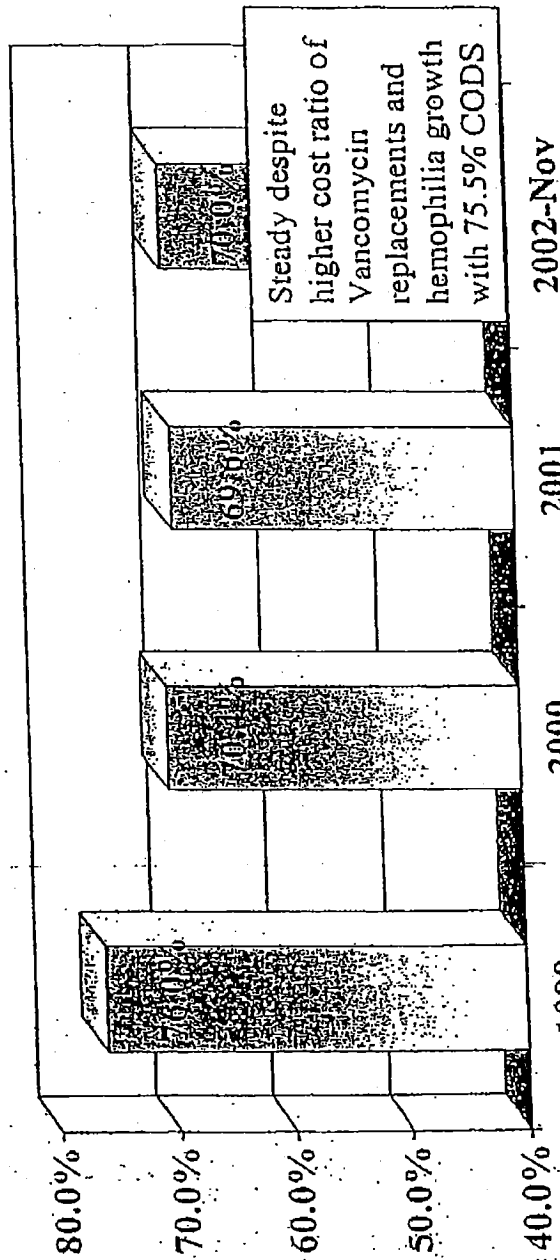
## Cutting the Costs

- Improving clinical services productivity while maintaining or improving quality
- Leveraged volume to purchase drugs and supplies more effectively
  - Formulary
- Reduced administrative costs to reflect business realities
- Leveraging our people and infrastructure through better technology solutions

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# Infusion Cost of Services



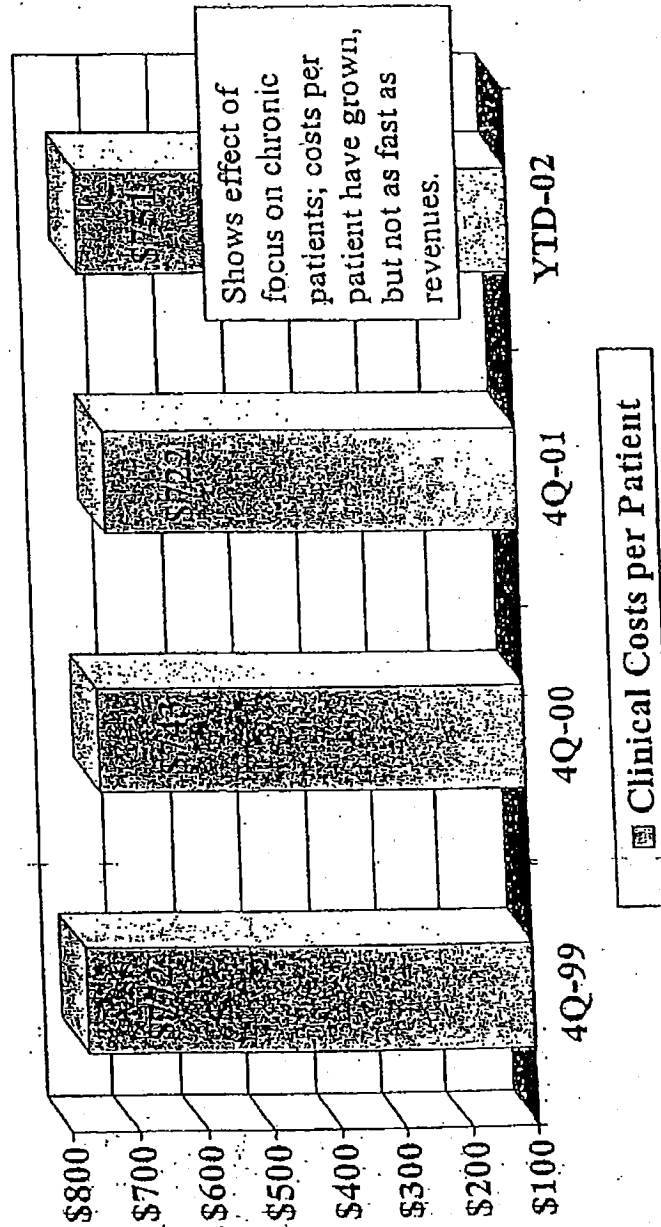
Cost of Service as a % of Net Revenue

Note: Excluding effects of depreciation and amortization

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# Clinical Cost Results

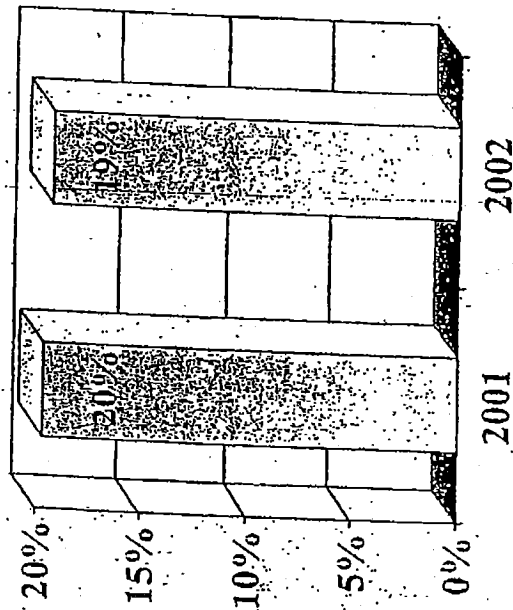


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# SG&A Expenses

Eleven Months Ended Nov 30 • SG&A remains stable,  
in line with growth.



Note: For comparison purposes, reflects SEC classifications and excludes effects of depreciation, amortization and MIP amounts

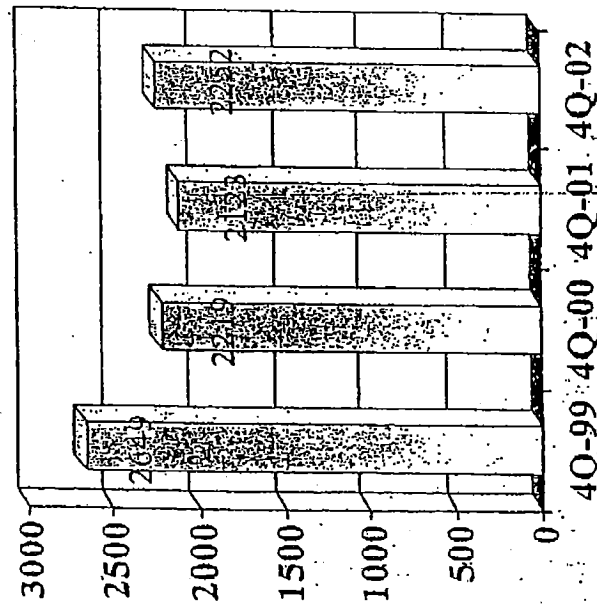
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# G & A Cost Initiatives

## FTE Headcount

- Revenue is growing faster than headcount due to:
  - Increased productivity, organizational changes and improved sales and marketing strategies



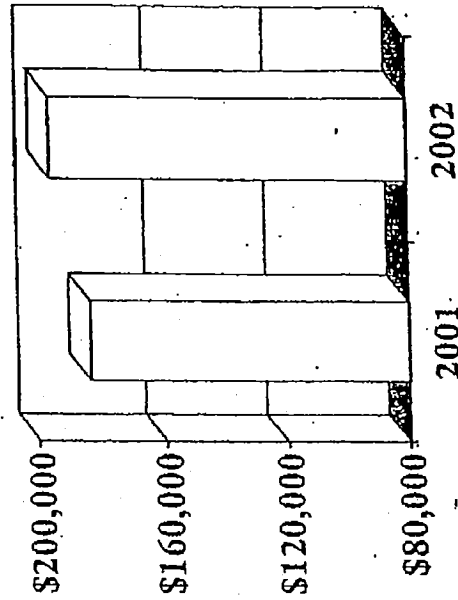
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## Approximate Revenues per FTE

- Improved productivity  
– Revenues per FTE increased approximately 7%

Eleven Months Ended Nov 30



Note: based on net revenues annualized

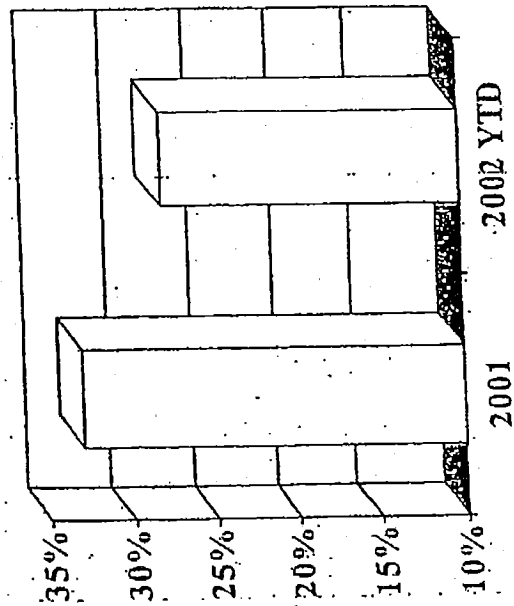
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# Reduced Employee Turnover

- A more stable, more motivated workforce

Annualized Employee Turnover



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## Collecting the Cash

- Disciplined management initiatives improving collection results
  - December 2002 cash collections stronger than 2000 and 2001
  - July to December 2002 stronger than same period in 2001
  - December 2002 YTD Net Operating Treasury Cash Flow improved over 2001 by \$12.2 million

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## Cash Initiatives

- Reduced cash collection sites from 21 to 12
  - Consolidated for better management
  - Improved training
  - Increased specialization by payer type
- Automated, electronic billing implemented for several key payers
  - To improve accuracy and cash flow

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## Cash Initiatives (cont.)

- New managers working with information systems to implement daily reporting of outcomes, productivity and trending
- Setting standards to employee level
- Compliance audits
- “We’re getting it right.”

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## Cash Initiatives (cont.)

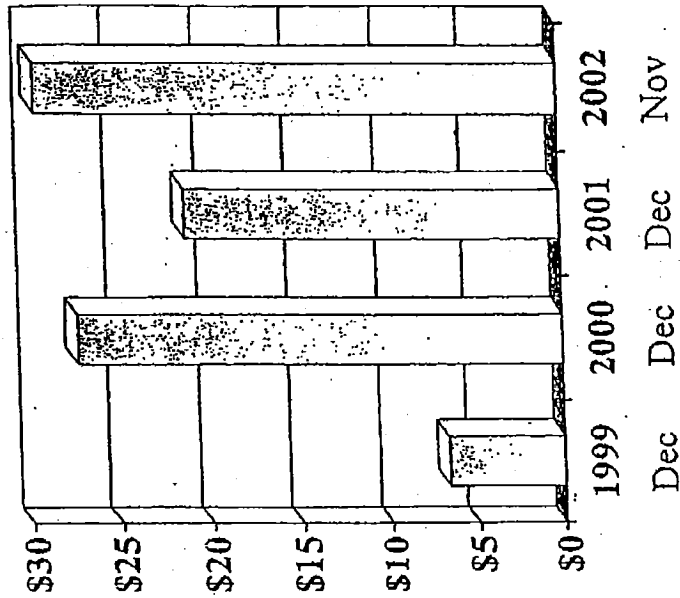
- Improved vendor relationships resulted in better terms and trade credit, freeing cash
- Improved AP system
  - Realize prompt pay discounts of approximately \$400,000 annually
- Improved cash management resulted in *no net draws* on revolver since 1999

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# Cash

(in millions)



- Available cash has grown despite temporary impact of collection center consolidation and seasonally soft summer and fall collection period

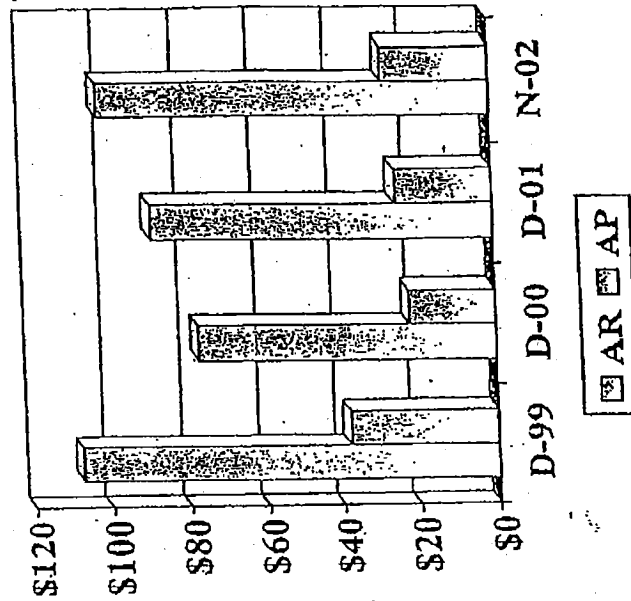
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# Improved Cash Management

(in millions)

- Payables remain current
- Receivables are higher due to increased sales and *temporary effect* of collection site consolidation

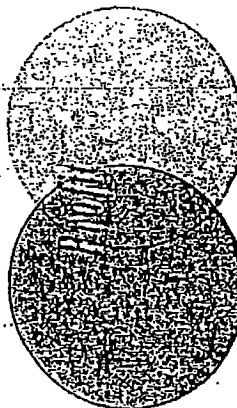


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## Bottom Line Results

- Improved sales, cost reductions, productivity enhancements and cash management are resulting in improved margins.
- "We're getting it right."



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